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(Acts whose publication is not obligatory)

COMMISSION

COMMISSION DECISION

of 7 June 1990

on the selection criteria to be adopted for investments for improving the processing and marketing conditions for agricultural and forestry products

(90/342/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 866/90 of 29 March 1990 on improving the processing and marketing conditions for agricultural products⁽¹⁾, and in particular Article 8 (3) thereof;

Whereas pursuant to Article 8 of Regulation (EEC) No 866/90 selection criteria consistent with Community policy are to be applied serving to guide the negotiation of sectoral Community support frameworks in order to guarantee their compliance with the common agricultural market policy and to determine the categories of investments whether to be given greater priority for a grant from the Funds or to be excluded from Community aid;

Whereas, pursuant to Article 1 of Regulation (EEC) No 867/90 of 29 March 1990 on improving the processing and marketing conditions for forestry products⁽²⁾, the common measures established by Regulation (EEC) No 866/90 are extended to the development and rationalization of the marketing and processing of forestry products:

Whereas the measures provided for in this Decision are in accordance with the opinion of the Committee on Agricultural Structures and Rural Development,

HAS ADOPTED THIS DECISION:

Article 1

The Community's selection criteria for investments eligible for Community assistance under Regulations (EEC) No 866/90 and (EEC) No 867/90 are set out in the Annex hereto.

Article 2

This Decision is addressed to the Member States.

Done at Brussels, 7 June 1990.

For the Commission

Ray MAC SHARRY

Member of the Commission

⁽¹⁾ OJ No L 91, 6. 4. 1990, p. 1.

⁽²⁾ OJ No L 91, 6. 4. 1990, p. 7.

ANNEX

1. **Priorities and exclusions concerning all sectors**

(a) Priority is accorded to the following investments :

- investments involving a substantial amount of technological innovation or leading to the creation of new products,
- investments designed to make the production of processed goods less seasonal and less uncertain,
- investments seeking to cut the costs of prepared products, either fresh or processed by reducing the intermediate costs of collection or of commercial preparation, of processing, of packaging, storage or of marketing,
- investments leading to an improvement of the quality or the hygienic conditions.

(b) The following investments are excluded :

- investments for the production of processed goods for which the existence of realistic potential outlets has not been demonstrated,
- investments for general frozen storage facilities, unless required for the normal operation of processing installations.

2. **Priorities and exclusions for certain specific sectors**2.1. *Cereals*

(a) Priority will be given to off-farm investments in production zones resulting in product quality improvement.

(b) The following investments are excluded :

- investments for starch production ; milling ; malting,
- investments for port silos for international trade,
- investments for animal feed except for those of small size. In the case of these, the investments must not lead to an increase in the production capacity, except :
 - if equivalent capacity is abandoned by the same or another undertaking,
 - or unless the investments enhance the value of the by-products of grain growing,
 - or if the output is destined for local consumption in the French overseas departments.

2.2. *Fruit and vegetables*

(a) Priority investments :

- establishment of 'clock auction' markets, particularly in areas where they do not already exist,
- establishment of preparation and packaging facilities for fresh and frozen produce,
- pre-chilling equipment,
- equipment for price formation and diffusion designed to ensure market transparency.

(b) The following investments are excluded :

- increased production of tomato concentrate and peeled tomatoes, except if equivalent capacities are abandoned in the same or another undertaking,
- increases in production capacity for peaches in syrup and pears in syrup, unless equivalent capacity is abandoned by the same or another undertaking.

2.3. *Cow's milk and cow's milk products*

(a) Priority will be given to fresh dairy products and cheese specialities.

(b) The following investments are excluded :

- investments concerning the heat treatment of liquid milk to give a long life product, except in Greece, Spain, the French overseas departments, Corsica, the Mezzogiorno, Sardinia and Portugal,
- investments resulting in an increase in milk utilization capacity, unless equivalent capacity is abandoned by the same or another undertaking or if further outlets are shown to exist for high value added products, subject to the capacities not, in any case, exceeding the quantities already allotted to the processing plant within the framework of the quota system,

- investments in the following products : butter (except for investments to be carried out in the French overseas departments), whey powder, milk powder, butter oil, lactose, casein, caseinate and other products involving EAGGF Guarantee expenditure, non-justifiable in view of the market situation.

2.4. *For flax and hemp*

Priority will be given to the following investments :

- improved presentation of flax straw for fibre removal,
- improved presentation of fibre for processing.

2.5. *Oil seeds, protein crops and fodder plants*

(a) All investments are excluded except for those carried out in units of small size provided :

- they do not lead to an increase in the production capacity — unless equivalent capacity is abandoned by the same or another undertaking,
- a significant part of the investment does not involve the drying of beet pulp.

(b) In the case of those allowed under (a) above, priority is given to the following investments :

- investments concerning animal feed involving the direct incorporation of Community oilseeds in the manufacture of compound feeds,
- investments concerning animal feed leading to reduced energy consumption for industries involved in drying and dehydration,
- investments for animal feed involving the use of peas, field beans and lupins.

2.6. *Olives*

(a) Priority will be given to investments in the processing or marketing of table olives that will improve product quality.

(b) The following types of investments are excluded :

- investments leading to an increase in the total production of the oil mill, unless equivalent productions are abandoned by the same or another undertaking,
- extraction or refining of olive-pomace oil.

2.7. In the *potato* sector :

- (a) priority is given to investments concerning improvement of product quality especially installations for storing, grading and treatment ;
- (b) investments concerning starch are excluded.

2.8. In the *sugar* sector (including isoglucose), all investments are excluded, with the exception of those :

- (a) which foresee rationalization, without increase of capacity, in the French overseas departments ;
- (b) utilization of the quota foreseen in the Adhesion Treaty for Portugal (for the continent : 60 000 tonnes of sugar and 10 000 tonnes of isoglucose).

2.9. *Tobacco*

The following investments are excluded :

- those involving an increase in production capacity for oriental varieties,
- investments not seeking to improve product quality or at concentration at processing level.

2.10. *Meat and eggs*

(a) Priority investments :

- the creation of cutting facilities linked to slaughterhouses, particularly in production areas where such facilities are rare or do not exist.

(b) Excluded investments :

- investments leading to an increase in the grading and packing capacity for hens' eggs,
- specialist pig markets,
- investments resulting in an increase in the slaughter capacity for pigs, cattle, sheep or poultry, unless equivalent capacity is abandoned by the same or another undertaking or, in the case of pigs, cattle, sheep and poultry other than chickens, the production level in the region indicates a shortfall in capacity.

2.11. *Wine*

(a) Priority investments :

- investments for quality wines *psr* except as indicated under (b),
- investments for bottling and storage of bottled wine, for table wine regularly sold under the name of a geographical unit smaller than the Member State.

(b) Excluded investments :

- distillation units and units for the preparation and packaging of distillation products,
 - production of concentrated grape must, whether or not rectified, except for the purpose of grape juice production,
 - grape collection or vinification for table wine production, which are not regularly sold under the name of a geographical unit smaller than the Member State,
 - quality wines psr with a price for white wines three times and for red wine three-and-a-half times higher than the Community guide price in the year of submission of the application to the competent agency designated by the Member State,
 - investments involving technical equipment for wine enrichment.
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